



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES October 6, 2008 5:00 P.M. Council Office

COUNCIL MEMBERS PRESENT:

M. Goodman-Hinnershitz, J. Waltman, D. Sterner, V. Spencer, S. Marmarou, M. Baez, S. Fuhs

OTHERS IN ATTENDANCE:

L. Kelleher, S. Katzenmoyer, R. Hottenstein, M. Vind, D. Cituk, T. McMahon, Z. Collings, C. Kanezo, F. Acosta

Vaughn Spencer, President of Council, called the Committee of the Whole meeting to order at 5:02 p.m.

I. Executive Session

Council entered into executive session at 5:02 pm to discuss personnel issues.
Council exited executive session at 5:10 pm.

II. 2009 Budget

Mr. Waltman reviewed the process to date.

Mr. Spencer noted that the proposed budget contains a 22% property tax increase. He reminded all that an increase of this size is not allowed by the Charter. Mayor McMahon indicated that a similar case occurred elsewhere and there is case law supporting it.

Mr. Waltman expressed his belief that Council will not support a property tax increase of this size. Mayor McMahon reminded Council that elected officials need to confront difficult issues

Mr. Fuhs stated that he did not feel that case law is a satisfactory response to the proposed 22% property tax increase. Mr. Hottenstein responded that, as this is regarding litigation, discussion should be held in executive session.

Mr. Waltman reminded all that Council sets the tax rates. Mayor McMahon indicated that the citizens need to know the financial status of the City and that it is working to eliminate the structural deficit. He indicated his hope that discussion would begin and work would get started.

Mr. Spencer reported that Council reviewed department budgets beginning in September. He indicated that budget revenues depend on the 22% property tax increase to balance the 2009 budget. He noted the need for the budget passed by Council to be a legal document. Mayor McMahon suggested a 5% property tax increase and requesting additional funding from the Parking Authority and Water Authority. Mr. Waltman reminded the Mayor that this is not the only option open to Council.

Mr. Waltman questioned what the gap would be if the property tax increase was 5%. Mr. Hottenstein indicated that it would be approximately \$2.5 million.

Mr. Sterner requested a legal opinion on the proposed property tax increase. Mr. Hottenstein indicated that he would discuss this issue in executive session only.

Mr. Waltman suggested Council begin work by focusing on filling the gap left by the property tax increase being set at 5%.

Mr. Hottenstein reported that the overall proposed 2009 budget is \$51,000 lower than the 2008 budget. He indicated that 35 positions were eliminated by attrition. He expressed his belief that further personnel cuts will impact on services provided.

Ms. Goodman-Hinnershitz expressed the belief that the City can no longer provide all services that citizens expect. She indicated that essential programs should be retained and others should be reviewed for other options. She suggested that parks and recreation and the library are two non-essential services.

Mr. Waltman suggested that Council give him feedback on their position on budget issues.

Mr. Spencer indicated that these discussions should have begun in the spring to guide the budget process. Ms. Goodman-Hinnershitz noted that the budget retreat in 2007 set priorities for the budget process. Mr. Sterner and Mr. Spencer noted the need for these priorities to be re-evaluated.

Mr. Waltman reminded all that the process did begin earlier this year and that the debt restructuring and position eliminations already occurred.

The meeting continued as the Finance Committee Meeting at 5:45 pm.

Respectfully Submitted

By: _____
Linda A. Kelleher, City Clerk